

2011 Property Tax Report

Knox County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Knox County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Knox County

The average homeowner saw a 5.3% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 30.4% lower than they were in 2007, before the property tax reforms.

86.0% of homeowners saw lower tax bills in 2011 than in 2007.

42.6% of homeowners saw tax increases of between 1% and 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 20% and 49% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	6,153	68.4%	999	11.1%
No Change	1,403	15.6%	262	2.9%
Lower Tax Bill	1,442	16.0%	7,737	86.0%
Average Change in Tax Bill	5.3%		-30.4%	
Detailed Change in Tax Bill				
20% or More	1,314	14.6%	462	5.1%
10% to 19%	1,007	11.2%	226	2.5%
1% to 9%	3,832	42.6%	311	3.5%
0%	1,403	15.6%	262	2.9%
-1% to -9%	516	5.7%	525	5.8%
-10% to -19%	174	1.9%	893	9.9%
-20% to -29%	106	1.2%	1,452	16.1%
-30% to -39%	480	5.3%	1,436	16.0%
-40% to -49%	22	0.2%	1,207	13.4%
-50% to -59%	14	0.2%	842	9.4%
-60% to -69%	20	0.2%	321	3.6%
-70% to -79%	12	0.1%	150	1.7%
-80% to -89%	11	0.1%	95	1.1%
-90% to -99%	9	0.1%	102	1.1%
-100%	78	0.9%	714	7.9%
Total	8,998	100.0%	8,998	100.0%

Note: Percentages may not total due to rounding.

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*LOSS OF STATE HOMESTEAD
CREDIT AND HIGHER TAX
RATES INCREASED
HOMEOWNER TAX BILLS*

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Homestead Property Taxes

Homestead property taxes increased 5.3% on average in Knox County in 2011. This was more than the state average of 4.4%. Knox County homestead taxes were still 30.4% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 4.1% in Knox County in 2010. The increase in Knox tax rates also contributed to the higher homestead tax bills.

Tax Rates

Property tax rates increased in the majority of Knox County tax districts. The average tax rate increased by 3.6% because the increase in net assessed value was edged out by a larger increase in the levy. Levies in Knox County increased by 10.4%. The biggest levy increases were in the Vincennes Community Schools debt service fund, the North Knox Schools debt service and bus replacement funds, and the South Knox Schools capital projects, transportation, and bus replacement funds. South Knox Schools also reduced their debt service levy. Knox County's total net assessed value increased 9.1% in 2011. (The certified net AV used to compute tax rates rose by 6.6%.) Homestead and agricultural net assessments increased by 3.7% and 3.0%, respectively. Other residential assessments showed an increase at 3.1%, while business net assessments increased by 17.6%.

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INCREASES IN NONHOMESTEAD

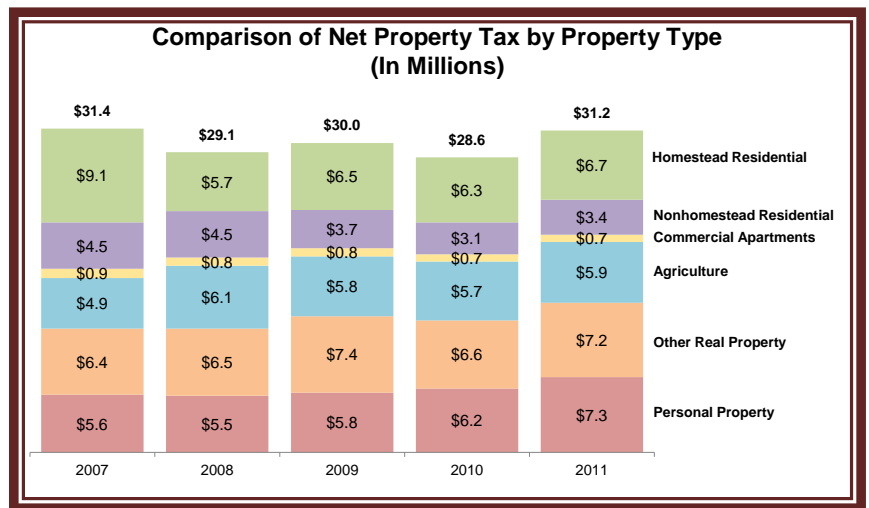
ASSESSMENTS CAUSED INCREASES IN TAX

PAYMENTS

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 8.6% in Knox County in 2011, more than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 8.0%. Tax bills for commercial apartments fell 2.1%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment – increased substantially, by 13.3%. These large tax increases mostly are due to increases in assessed value. Agricultural tax bills rose 3.2%. This was mainly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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TAX CAP CREDITS INCREASED

SUBSTANTIALLY IN 2011

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Total tax cap credit losses in Knox County were \$7.3 million, or 19.4% of the levy. This was much more than the state average loss rate of 9.2%, and much more than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Knox County's tax rates were higher than the state median.

Tax cap credits were divided among the three tax cap categories. Two Vincennes taxing districts had tax rates well above \$3, which made property in all three categories eligible for credits. The largest percentage losses as well as the largest dollar losses were in the city of Vincennes and the Vincennes Community School Corporation.

Knox County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$912,183	\$2,181,618	\$2,159,128	\$654	\$5,253,582	15.9%
2011 Tax Cap Credits	1,590,940	2,815,459	2,847,528	2,382	7,256,309	19.4%
Change	\$678,757	\$633,842	\$688,399	\$1,728	\$2,002,726	3.6%

Tax cap credits increased in Knox County in 2011 by \$2.0 million, or 38%. The additional credits

represent an added loss of 3.6% of the total tax levy. The increase in tax cap credits was spread almost equally among the 1%, 2%, and 3% tax cap categories. Increases in tax rates in the Vincennes City districts, where rates were already high, made more taxpayers eligible for credits. The elimination of the state homestead added to the 1% tax cap credit increase.

The Effect of Recession

The 2009 recession had little effect on Knox County assessments for pay-2011. Business property values and construction activity in particular appear to have grown in 2009. The added tax cap credit losses were due to large levy increases not declines in assessed values.

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2009 RECESSION APPEARS TO HAVE HAD
LITTLE EFFECT ON ASSESSMENTS IN 2011

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$884,910,315	\$899,315,659	1.6%	\$329,122,657	\$341,359,786	3.7%
Other Residential	147,868,873	152,274,530	3.0%	146,143,623	150,672,763	3.1%
Ag Business/Land	344,777,600	355,144,100	3.0%	344,066,333	354,512,969	3.0%
Business Real/Personal	766,434,212	848,744,141	10.7%	556,073,682	654,062,131	17.6%
Total	\$2,143,991,000	\$2,255,478,430	5.2%	\$1,375,406,295	\$1,500,607,649	9.1%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Knox County Levy Comparison by Taxing Unit

Taxing Unit						%Change			
	2007	2008	2009	2010	2011	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	40,080,699	40,885,681	30,415,060	31,603,747	34,891,611	2.0%	-25.6%	3.9%	10.4%
State Unit	30,172	33,192	0	0	0	10.0%	-100.0%		
Knox County	8,781,290	8,656,288	7,031,836	7,283,101	7,429,009	-1.4%	-18.8%	3.6%	2.0%
Busseron Township	53,322	53,410	49,194	51,602	53,278	0.2%	-7.9%	4.9%	3.2%
Decker Township	32,865	33,110	35,075	36,674	37,633	0.7%	5.9%	4.6%	2.6%
Harrison Township	93,671	97,352	111,451	103,797	81,743	3.9%	14.5%	-6.9%	-21.2%
Johnson Township	27,875	27,875	29,270	31,156	30,222	0.0%	5.0%	6.4%	-3.0%
Palmyra Township	95,888	93,021	117,619	101,288	103,129	-3.0%	26.4%	-13.9%	1.8%
Steen Township	51,568	52,975	54,468	41,977	59,056	2.7%	2.8%	-22.9%	40.7%
Vigo Township	63,032	63,900	67,527	76,377	86,058	1.4%	5.7%	13.1%	12.7%
Vincennes Township	208,453	208,775	224,448	232,709	238,524	0.2%	7.5%	3.7%	2.5%
Washington Township	111,829	111,582	115,136	122,477	122,065	-0.2%	3.2%	6.4%	-0.3%
Widner Township	40,279	41,263	55,791	54,012	54,850	2.4%	35.2%	-3.2%	1.6%
Vincennes Civil City	6,979,349	6,614,712	6,741,870	7,050,016	7,191,911	-5.2%	1.9%	4.6%	2.0%
Bicknell Civil City	679,559	684,496	731,803	759,994	359,665	0.7%	6.9%	3.9%	-52.7%
Bruceville Civil Town	56,420	55,441	60,847	63,160	64,824	-1.7%	9.8%	3.8%	2.6%
Decker Civil Town	12,342	9,256	13,310	13,815	14,189	-25.0%	43.8%	3.8%	2.7%
Edwardsport Civil Town	21,992	19,671	23,718	23,508	24,701	-10.6%	20.6%	-0.9%	5.1%
Monroe City Civil Town	16,875	16,074	18,209	18,902	19,411	-4.7%	13.3%	3.8%	2.7%
Oaktown Civil Town	34,600	36,473	38,841	37,569	39,961	5.4%	6.5%	-3.3%	6.4%
Sandborn Civil Town	36,793	38,893	41,998	43,585	44,748	5.7%	8.0%	3.8%	2.7%
Wheatland Civil Town	34,872	33,461	37,603	39,031	40,063	-4.0%	12.4%	3.8%	2.6%
North Knox School Corp	4,674,463	5,281,333	2,910,095	2,624,237	3,284,351	13.0%	-44.9%	-9.8%	25.2%
South Knox School Corp	5,918,573	6,592,683	3,624,005	3,337,686	3,754,735	11.4%	-45.0%	-7.9%	12.5%
Vincennes Community School Corp	9,796,578	9,852,480	5,905,731	7,052,307	9,394,351	0.6%	-40.1%	19.4%	33.2%
Bicknell Public Library	96,137	101,159	108,037	112,195	115,062	5.2%	6.8%	3.8%	2.6%
Knox County Public Library	1,032,243	830,212	1,012,777	1,053,950	1,051,402	-19.6%	22.0%	4.1%	-0.2%
Vincennes Township Fire	845,338	963,536	967,661	941,703	920,633	14.0%	0.4%	-2.7%	-2.2%
South Vigo Township Fire	67,282	70,397	70,381	70,539	70,632	4.6%	0.0%	0.2%	0.1%
Vigo Central Community Fire	48,588	49,553	52,373	54,323	55,765	2.0%	5.7%	3.7%	2.7%
Johnson Township Community Fire	138,451	163,108	163,986	172,057	149,640	17.8%	0.5%	4.9%	-13.0%
Knox County Solid Waste Mgt Dist	0	0	0	0	0				
Vincennes Redevelopment Comm	0	0	0	0	0				

Knox County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			COIT		CEDIT	CEDIT	LOIT	LOIT	
			LOIT PTRC	Homestead	Homestead	Residential	Homestead	Residential	
42001	Busseron Township	1.6415	--	--	--	--	--	--	1.6415
42002	Oaktown Town	2.0465	--	--	--	--	--	--	2.0465
42003	Decker Township	1.5584	--	--	--	--	--	--	1.5584
42004	Harrison Township	1.5214	--	--	--	--	--	--	1.5214
42005	Monroe City Town	1.7846	--	--	--	--	--	--	1.7846
42006	Johnson Township	1.6833	--	--	--	--	--	--	1.6833
42007	Decker Town	2.6945	--	--	--	--	--	--	2.6945
42008	Palmyra Township	1.5857	--	--	--	--	--	--	1.5857
42009	Steen Township	1.5011	--	--	--	--	--	--	1.5011
42010	Wheatland Town	1.9081	--	--	--	--	--	--	1.9081
42011	Vigo-South Township	1.9062	--	--	--	--	--	--	1.9062
42012	Bicknell City-Vigo Township	2.6020	--	--	--	--	--	--	2.6020
42013	Edwardsport Town	2.8378	--	--	--	--	--	--	2.8378
42014	Sandborn Town	2.6972	--	--	--	--	--	--	2.6972
42018	Washington Township	1.7542	--	--	--	--	--	--	1.7542
42019	Bicknell City-Washington Township	2.6245	--	--	--	--	--	--	2.6245
42020	Bruceville Civil Town	3.0115	--	--	--	--	--	--	3.0115
42021	Widner Township	1.6558	--	--	--	--	--	--	1.6558
42022	Vincennes City I	4.3705	--	--	--	--	--	--	4.3705
42023	Vincennes Twp-Vincennes Schools	2.7338	--	--	--	--	--	--	2.7338
42024	Vincennes Twp-South Knox Schools	1.8609	--	--	--	--	--	--	1.8609
42025	Vigo-North Township	1.6803	--	--	--	--	--	--	1.6803
42026	Vigo-Central Township	1.6574	--	--	--	--	--	--	1.6574
42027	Vincennes City II	3.9622	--	--	--	--	--	--	3.9622

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Knox County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Levy	Circuit Breaker as % of Levy
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total		
<i>Non-TIF Total</i>	1,590,940	2,766,095	2,478,683	2,382	6,838,101	34,891,611	19.6%
<i>TIF Total</i>	0	49,364	368,844	0	418,208	2,495,114	16.8%
<i>County Total</i>	1,590,940	2,815,459	2,847,528	2,382	7,256,309	37,386,725	19.4%
Knox County	229,383	373,118	312,404	457	915,361	7,429,009	12.3%
Busseron Township	0	22	0	0	22	53,278	0.0%
Decker Township	0	0	0	0	0	37,633	0.0%
Harrison Township	0	0	0	11	11	81,743	0.0%
Johnson Township	0	60	0	0	60	30,222	0.2%
Palmyra Township	0	0	0	0	0	103,129	0.0%
Steen Township	0	0	0	5	5	59,056	0.0%
Vigo Township	16	1,530	0	1	1,547	86,058	1.8%
Vincennes Township	17,161	26,083	23,447	22	66,712	238,524	28.0%
Washington Township	100	638	3	4	745	122,065	0.6%
Widner Township	0	0	0	3	3	54,850	0.0%
Vincennes Civil City	538,278	1,095,180	1,098,690	563	2,732,710	7,191,911	38.0%
Bicknell Civil City	125	31,453	0	0	31,579	359,665	8.8%
Bruceville Civil Town	997	9,243	62	0	10,301	64,824	15.9%
Decker Civil Town	0	1,551	0	0	1,551	14,189	10.9%
Edwardsport Civil Town	0	3,022	0	0	3,022	24,701	12.2%
Monroe City Civil Town	0	0	0	0	0	19,411	0.0%
Oaktown Civil Town	0	242	0	0	243	39,961	0.6%
Sandborn Civil Town	272	4,430	0	0	4,702	44,748	10.5%
Wheatland Civil Town	0	0	0	0	0	40,063	0.0%
North Knox School Corp	1,297	42,670	42	56	44,066	3,284,351	1.3%
South Knox School Corp	11	1,257	0	206	1,474	3,754,735	0.0%
Vincennes Community School Corp	710,074	1,079,287	970,217	892	2,760,470	9,394,351	29.4%
Bicknell Public Library	30	3,061	0	1	3,092	115,062	2.7%
Knox County Public Library	36,255	55,731	49,421	72	141,477	1,051,402	13.5%
Vincennes Township Fire	56,940	37,090	24,398	91	118,519	920,633	12.9%
South Vigo Township Fire	0	0	0	0	0	70,632	0.0%
Vigo Central Community Fire	0	130	0	0	130	55,765	0.2%
Johnson Township Community Fire	0	297	0	0	297	149,640	0.2%
Knox County Solid Waste Mgt Dist	0	0	0	0	0	0	
Vincennes Redevelopment Comm	0	0	0	0	0	0	
TIF - Vincennes City I 022	0	49,364	334,163	0	383,527	1,157,005	33.1%
TIF - Psi Energy Knox County 026	0	0	0	0	0	1,151,467	0.0%
TIF - Vincennes City II 027	0	0	34,682	0	34,682	186,642	18.6%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.